

C O U N C I L C O M M U N I C A T I O N

TO : THE CITY COUNCIL
FROM: THE CITY MANAGERS OFFICE

COUNCIL MEETING DATE
May 4, 1988

SUBJECT: ADOPT RESOLUTION REGARDING THE 230 KV-INTERCONNECTION PROJECT APPROVING, AUTHORIZING AND DIRECTING EXECUTION OF CERTAIN INSTALLMENT SALE FINANCING DOCUMENTS, APPROVING THE FORM AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT, AND OFFICIAL NOTICE OF SALE AND AN OFFICIAL BID FORM IN CONNECTION WITH THE OFFERING AND SALE OF CERTIFICATES OF PARTICIPATION RELATING THERETO.

PREPARED BY: City Manager

RECOMMENDED ACTION: That the City Council adopt Resolution No. 88-64, "A Resolution Approving, Authorizing and Directing Execution of Certain Installment Sale Financing Documents, Approving the Form and Distribution of a Preliminary Official Statement, an Official Notice of Sale and an Official Bid Form in Connection With the Offering and Sale of Certificates of Participation Relating Thereto and Authorizing and Directing Certain Actions With Respect Thereto."

BACKGROUND INFORMATION: One of the procedural actions which must be taken as part of the financing of the proposed 230-KV interconnection project is the adoption by the City Council of the attached resolution (Exhibit A). The title of the resolution adequately sets forth the actions to be accomplished with its adoption. Mr. Brian Quint, of Jones Hall Hi71 & White, the City's bond counsel will be in attendance to assist the City Council and staff in this regard. The appropriate supporting documents are being prepared by the financial advisor and bond counsel at this writing and will be distributed to the City Council under separate cover as soon as possible.

Respectfully submitted,



Thomas A. Peterson
City Manager

TAP:br

Enclosure

CITY OF LODI**RESOLUTION NO. 88-64**

**A RESOLUTION APPROVING, AUTHORIZING AND DIRECTING
EXECUTION OF CERTAIN INSTALLMENT SALE FINANCING
DOCUMENTS, APPROVING THE FORM AND DISTRIBUTION OF A
PRELIMINARY OFFICIAL STATEMENT, AN OFFICIAL NOTICE OF SALE
AND AN OFFICIAL BID FORM IN CONNECTION WITH THE OFFERING
AND SALE OF CERTIFICATES OF PARTICIPATION RELATING
THERE TO, AND AUTHORIZING AND DIRECTING CERTAIN ACTIONS
WITH RESPECT THERETO**

RESOLVED, by the City Council of the City of Lodi, California (the "City"):

WHEREAS, the City, working together with the Lodi Public Improvement Corporation (the "Corporation"), is proposing to proceed with an installment sale financing of certain public improvements; and

WHEREAS, in connection therewith, the City proposes to finance the construction of improvements to its municipal electric system (the "Project") and it is in the public interest and for the public benefit that the City authorize and direct execution of an installment sale agreement and certain other financing documents in connection therewith; and

WHEREAS, the financial advisor to the City has been directed to prepare a preliminary official statement containing information material to the offering and sale of the Certificates of Participation described below (the "Preliminary Official Statement") and special legal counsel to the City has been directed to prepare a notice of sale (the "Official Notice of Sale") and a bid form (the "Official Bid Form") relating to the sale of the Certificates of Participation; and

WHEREAS, the documents specified below have been filed with the City, and the members of the City Council, with the aid of the City staff, have reviewed said documents;

NOW, THEREFORE, it is hereby ORDERED and DETERMINED, as follows:

Section 1. The below-enumerated documents be and are hereby approved, and the Mayor, City Manager and the Finance Director are hereby separately authorized and directed to execute and deliver said documents for and in the name and on behalf of the City, substantially in the form presented to the City Council at this meeting, together with such changes, insertions and omissions as may be approved by such official, such approval to be conclusively evidenced by the execution of such documents by such official, and the City Clerk is hereby authorized and directed to attest to such official's signature:

(a) an installment sale agreement relating to the financing of the Project, between the Corporation, as seller, and the City, as purchaser (the "Installment Sale Agreement"), so long as the stated term of the Installment Sale Agreement does not exceed thirty (30) years, so long as the principal amount of the Installment Sale Agreement does not exceed \$10,000,000 and so long as the gross installment payments payable by the City under the Installment Sale Agreement in any year beginning on July 2 and ending on the succeeding July 1 does not exceed \$925,000; and

(b) a trust agreement, by and among the City, the Corporation and Bank of America National Trust and Savings Association, San Francisco, California, as trustee (the "Trustee") (the "Trust Agreement"), relating to the financing and the execution and delivery of certificates of participation evidencing undivided fractional interests of the owners thereof in installment payments to be made by the City under the Installment Sale Agreement (the "Certificates of Participation").

Section 2. The City's financial advisor, on behalf of the City and its City Clerk, are authorized and directed to cause the Preliminary Official Statement, Official Notice of Sale and Official Bid Form to be distributed to such municipal bond broker-dealers, to such banking institutions and to such other persons as may be interested in purchasing the Certificates therein offered for sale.

Section 3. The City Clerk is authorized and directed to execute the Official Notice of Sale on behalf of the City and to call for bids for the sale of the Certificates.

Section 4. To the best of the City's knowledge, information and belief, the Preliminary Official Statement contains no untrue statement of a material fact with respect to the City or omits to state a material fact with respect to the City required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made.

Section 5. The Preliminary Official Statement is approved for distribution in connection with the offering and sale of the Certificates of Participation.

Section 6. The Mayor, the City Manager, the Finance Director or any deputy or assistant of the City Manager designated by the City Manager is authorized to approve corrections and additions to the Preliminary Official Statement by supplement or amendment thereto, or otherwise as appropriate, provided that any such corrections or additions shall be necessary to cause the information contained therein to conform with facts material to the Certificates of Participation, or to the proceedings of the City or such corrections or additions are in form rather than in substance.

Section 7. The Mayor, the City Manager, the Finance Director or any deputy or assistant of the City Manager designated by the City Manager is authorized and directed to cause the Preliminary Official Statement to be brought into the form of a final official statement (the "Final Official Statement") and to execute said Final Official Statement, dated as of the date of the sale of the Certificates of Participation, for and in the name and on behalf of the City, and a statement that the facts contained in the Final Official Statement, and any supplement or amendment thereto (which shall be deemed an original part thereof for the purpose of such statement) were, at the time of sale of the

Certificates of Participation, true and correct in all material respects and that the Final Official Statement did not, on the date of sale of the Certificates of Participation, and does not, as of the date of delivery of the Certificates of Participation, contain any untrue statement of a material fact with respect to the City or omit to state material facts with respect to the City required to be stated where necessary to make any statement made therein not misleading in the light of the circumstances under which it was made. The Mayor, the City Manager, the Finance Director or any deputy or assistant of the City Manager designated by the City Manager shall take such further actions prior to the signing of the Final Official Statement as are deemed necessary or appropriate to verify the accuracy thereof.

Section 8. The Final Official Statement, when prepared, is approved for distribution in connection with the offering and sale of the Certificates of Participation.

Section 9. The Mayor, the City Manager, the Finance Director, the City Clerk and all other appropriate officials of the City are hereby authorized and directed to execute such other agreements, documents and certificates as may be necessary to effect the purposes of this resolution and the installment sale financing herein authorized.

Section 70. This Resolution shall take effect upon its adoption by this City Council.

* * * * *

I hereby certify that the foregoing resolution was duly adopted at a meeting of the City Council of the City of Lodi duly held on the 4th day of May, 1988, by the following vote:

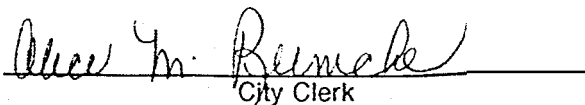
AYES, and in favor of, Councilmembers:	Hinchman, Olson, Reid, & Snider (Mayor Pro Tempore)
NOES, Councilmembers:	None
ABSENT, Councilmembers:	Pinkerton

CITY OF LODI

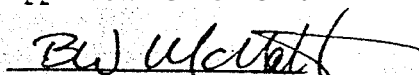

Mayor Pro Tempore

[S E A L]

ATTEST:


City Clerk

Approved As To Form:


Bobby W. McNatt
City Attorney